

SOUTH CAROLINA COMMISSION ON HIGHER EDUCATION

Meeting

June 6, 2002

10:30 a.m.

CHE Conference Room

Commission Members Present

Mr. Dalton Floyd, Chairman

Ms. Margaret Addison

Ms. Rosemary Byerly

Ms. Sue Cole

Dr. Larry Jackson

Gen. Tom Olsen

Mr. Daniel Ravenel

Dr. David E. Shi

Guests

Dr. Ann Bowles

Mr. John Bowman

Ms. Stacy Breton

Ms. Leslie Brunelli

Ms. Priscilla Burbage

Ms. Colleen Callahan

Ms. Mary Jo Cook

Dr. Anthony Coyne

Dr. Robert Cunnito

Dr. Jim Edwards

Ms. Susie Edwards

Ms. J. J. Gaddy

Mr. Mike Gross

Dr. Tom Higerd

Dr. Sally Horner

Mr. Bob Humphreys

Mr. Brent Jeffcoat

Ms. Karen Jones

Mr. John Kackmar

Ms. Starr Kepner

Ms. Kaye Koonce

Mr. Wayne Landrith

Mr. Scott Ludlow

Dr. Harry Matthews

Mr. J. P. McKee

Ms. Lila Meeks

Mr. Bob Mellon

Dr. Bob Mignone

Mr. Tom Nelson

Dr. Bruce Nims

Ms. Jackie Olsen

Dr. Charlie Parker

Ms. Rose Pellat

Dr. Chris Plyler

Dr. Blanche Premo-Hopkins

Ms. Gail Quick

Ms. Linda Ravenel

Mr. Chuck Sanders

Ms. Monica Scott

Mr. Charles Shawver

Ms. Gerry Shuler

Mr. Wilbur Shuler

Dr. Rita Teal

Ms. Inez Tenenbaum

Mr. Jonathan Trail

Dr. Jane Upshaw

Dr. Carolyn West

Members of the Press

Mr. John Brunnely

Mr. Gene Crider

Mr. Jeff Stensland

Staff Present

Dr. Rayburn Barton

Ms. Camille Brown

Mr. Michael Brown

Mr. Charlie FitzSimons

Mr. Gary Glenn

Ms. Yolanda Hudson

Mr. Walter Jackson

Dr. David Loope

Ms. Lynn Metcalf

Dr. Gail Morrison

Dr. Mike Raley

Mr. John Smalls

Dr. Lovely Ulmer-Sottong

Ms. Julie Wahl

Dr. Karen Woodfaulk

The Commission on Higher Education met on June 6 at 10:30 a.m. in the Commission's conference room. For the record, notification of the meeting was made to the public as required by the Freedom of Information Act.

I. Introductions

Mr. Charlie FitzSimons introduced the guests attending the meeting.

Mr. Floyd stated that there was a recognition dinner on June 5 in honor of Cathy Harvin, Margaret Addison, Lorraine Dimery, Harry Lightsey, Larry Jackson, and David Shi in appreciation of their service to the Commission. He asked everyone to join in a standing ovation to acknowledge their contribution to higher education.

Mr. Floyd announced the new Commission members: Mr. James S. Konduros, Dr. Roger E. Stevenson, Mr. Miles Loadholt, Mr. Larry Durham, Ms. Deloris Oliver, and Dr. John V. Griffith. He added that there would be a orientation session for the new members July 9 from 10:00 a.m. – 12:00 noon in the CHE conference room followed by a luncheon. All Commission members are invited. A planning session will be held after lunch from 1:00 p.m. – 3:00 p.m.

A 2003-2004 budget hearing for the colleges and universities will be held on the afternoon of August 20 and the morning of August 21. Each chancellor or president will be provided an opportunity to brief the Commission on the institution's financial needs.

II. Approval of Minutes

It was moved (Ravenel), seconded (Addison) and voted to approve the minutes of the meeting of May 2, 2002 as written.

III. Committee Reports

A. Report of the Committee on Access and Equity and Student Services

Consideration of the 2002-2003 Budget for the SC Teacher Loan Program

In 1984, the General Assembly named the SC Student Loan Corporation as administrator of the South Carolina Teachers Loan Program (TLP). Also, the General Assembly empowered the Commission on Higher Education to establish regulations to govern the Teachers Loan Program. These regulations charge the Commission with two primary duties: 1) approval of the Corporation's annual operating budget associated with administering the Teacher Loan Program; and 2) approval of the appropriation request for loans made through the TLP.

The proposed operating budget for FY 2002-2003 for the administration of the Teachers Loan Program is \$278,075 which is a 10.3% in personnel increase over

last year's budget. The increase in personnel is a direct result of the two new programs (Career Changers and Critical Needs Program) authorized by the General Assembly for the Student Loan Corporation to administer. This increase represents \$26,075.

An increase in Contractual Services is also a direct result of the two new programs. The processing for these programs will become automated to handle the volume of interest. The total amount requested for the Teachers Loan Program is \$359,275. Attached is a table for the proposed budget for FY 2002-2003 for the Teachers Loan Program. (Attachment 1)

The operating expense for the South Carolina Student Loan Corporation is \$11,040,275, not including operating costs associated with the Teacher Loan Program.

The Committee on Student Services and Access and Equity recommended that the proposed recommendations from the Student Loan Corporation be approved as presented.

It was moved (Cole), seconded (Jackson), and voted to approve the recommendation.

B. Report of Committee on Finance and Facilities

1. SC State University – 1890 Program Miscellaneous Renovations – SC State requested approval to perform miscellaneous renovations, repairs, and expansions on various campus facilities used for activities of the 1890 program. State originally requested that these funds be applied toward the completion of the 1890 office facility. However, the USDA (the grantors) did not approve the request. The USDA did approve using the grant funds for the following projects:

- a. HVAC repairs to Hurst Research Center and Whitaker Library
- b. Floor repairs to Camp Daniels Conference Center
- c. Roof replacement to Hurst Research Center and Staley Hall; replace ceiling tiles and other water damaged areas
- d. Laboratory repairs to Hurst Research Center
- e. Interior painting and exterior stucco repairs to Hurst Research Center
- f. Construct dining/hospital facility for nutrition and Food Management Project at Staley Hall
- g. Upgrade electrical at Staley Hall
- h. Renovate auditorium in Staley Hall, including replacing seats, upgrading lighting, replacing finishes, and upgrading telecommunications system.

The source of funds is \$2,165,818 federal grant (USDA).

The Committee recommended approval of this project as proposed.

2. SC State University – Campus-wide Performance Contract – SC State requested approval to do a Request for Proposals (RFP) for a campus-wide energy management contract. This contract would be for the upgrade and replacement of HVAC units, motors and controls, water conservation measures, and lighting improvements. It is estimated that the payback on the contract would be approximately \$200,000 per year over a period of seven to ten years. The purpose of the RFP is to obtain proposals from energy contractors who will conduct a comprehensive review of the institution's facilities to determine where energy saving improvements can be made. If the proposal is accepted by SC State and State Procurement, the contractor agrees to fund and make these improvements, guaranteeing that the resulting savings will cover the cost of the improvements over the life of the contract. If savings are not sufficient to cover the cost of the improvements, the contractor will lose the difference. If the savings are greater than the cost of the improvements, the institution will receive the full benefit of the energy savings after the break-even point is reached.

The benefit to an institution is that it is not required to provide an initial outlay of funds, is not responsible for the cost if the contractor does not fulfill its guarantee, and will receive the full benefit of energy savings as soon as they pass the "break-even" point. The risk to an institution can occur if the contract is not properly written. The State Engineer's Office, the State Energy Office, and State Procurement are assisting SC State with the wording of the contract in order to reduce any risk to the institution. Provisions for this process are included in the *SC Code of Laws under §48-52-670 Guaranteed Energy Savings Contracts*.

Although there will be no initial outlay of funds by SC State for this project, the approval is for the commitment of \$2,000,000 in state funds (from utilities savings) for the contract.

The Committee recommended approval of this project as proposed.

3. Trident Technical College – Complex Phase III Renovation – This project was initially included in year 2 (2003-2004) of the Comprehensive Permanent Improvements Projects (CPIP) approved by CHE on May 2. Since that time, funds have become available to support this project. The College has a major need for classroom space due to enrollment demands and wishes to proceed with this project during the current year. Therefore, the College has deleted this project from the CPIP and is requesting approval as an interim project so as to begin the A/E design phase.

The project will renovate 29,000 square feet of vacant space in the warehouse of the Complex for Economic and Industrial Development to create a learning center. This will allow the facility to have 1) a single entrance so every person will be promptly greeted and directed to the appropriate person in the center; 2) four open lab areas that focus on math, English, reading and ESL/tutoring; computer workstations to support self-paced and on-line instruction; 3) multiple

study rooms of various sizes to accommodate tutoring, group study, and scheduled classes; 4) faculty offices to support administrative functions as well as one-on-one tutoring and counseling.

The cost of the project is \$3,780,000 with the source of funds from local funds.

The Committee recommended approval of this project as proposed.

4. Clemson University – Lease of Library and Document Storage – Clemson University has requested approval to enter into a lease for library and document storage. The space consists of 22,000 square feet located less than one mile from campus in what is locally known as Garretts in the Clemson Shopping Center. The lease will have an initial 5-year term beginning in June 2002 and ending in May 2007. The annual rate is \$104,500. The Clemson University department is responsible for the rental payment as well as all related utility costs. The fund source will be state appropriated money. The lease allows for three options to renew, two years each.

The Committee recommended approval of this project as proposed, provided the Lease Office of the Budget and Control Board finds the rates and terms of the lease acceptable.

It was moved (Byerly), seconded (Olsen), and voted to approve the above projects.

C. Report of Committee on Planning, Assessment and Performance Funding

1. Consideration of Change in Mission for USC-Beaufort from a Two-Year Campus to a Four-Year campus of the University of South Carolina

In accordance with South Carolina Code, 1976, as amended, Section 59-103-45, the Commission on Higher Education is responsible for reviewing and approving all public higher education institutional mission statements. A new mission statement submitted by USC-Beaufort requests a mission change from a two-year to a four-year institution within the USC System. CHE staff has carefully evaluated the proposed new mission statement using the following three criteria.

- 1) What are the compelling needs of the State or region that might warrant such a mission change?
- 2) Does the quality of USCB's planning include financial, academic, enrollment and performance funding projections that insure the viability and academic strength equal or greater than already existing S. C. four-year public institutions of higher education?
- 3) Does the technical nature of the proposed mission statement meet CHE performance funding requirements?

Gen. Olsen stated that CHE held two public meetings on April 29 and May

1. An overwhelming majority of attendees were in favor of the change.

There were also written comments in support of the change in mission of USC-Beaufort.

Attached are supporting documents for USC-Beaufort. (Attachment 2)

The Committee having evaluated all issues pertinent to this review, finds that USC-Beaufort has satisfactorily met the necessary criteria for a mission change to a baccalaureate degree institution. The Committee therefore recommended that USC-Beaufort be granted baccalaureate degree granting status as of July 1, 2002. This recommendation is based on the condition that USC-Beaufort complies with the aforementioned recommendations of the technical change to the mission statement relating to description of size and the completion of the USC-Beaufort Transitional Plan.

It was moved (Olsen), seconded (Ravenel), and voted to approve the recommendation.

Dr. Jackson stated that it's difficult to vote for a new campus when the ones we have are not adequately funded, but it's appropriate for the Commission to endorse the idea of having a four-year college in commuting distance of every South Carolina citizen if we really want to move ahead.

Dr. Upshaw, on behalf of the citizens of the Lowcountry, thanked Dr. John Palms, Dr. Chris Plyler, USC Board of Trustees, Beaufort-Jasper Higher Education Commission, Greater Beaufort-Hilton Head Partnership for Economic Development and the Citizens Task Force for a Four-year degree granting institution. Also she thanked Dr. Barton, CHE Staff and the Commission.

2. Consideration of Change in Mission Statements

General Olsen stated that the following institutions have requested minor changes to their Mission Statements:

1. USC-Salkehatchie
2. Aiken Technical College
3. Florence-Darlington Technical College
4. Tri-County Technical College

The Committee recommended approval of the changes in mission statements of the above institutions.

It was moved (Olsen), seconded (Ravenel), and voted to approve the recommendation.

3. Consideration of Institutional Performance Ratings for 2001-2002 to Impact FY 2002-2003 (Performance Funding Year 6)

The Planning and Assessment Committee's recommendations for institutional ratings for the 2001-2002 year, impacting FY 2002-2003 allocations, are attached.

The Committee recommended for approval of the Commission the attached ratings for the 2001-2002 performance year to impact FY 2002-2003 allocations.

In approving the recommendations, it was also recommended that the Commission approve a revision to data found on page 4 of the report for Coastal Carolina for the current year's performance data for indicator 9A, "Financial Support for Reform in Teacher Education." The data should be 119.5% and not 128.8%. The change does not impact the recommended performance score on the indicator.

It was moved (Olsen), seconded (Ravenel), and voted to approve the recommendations as amended.

4. Formation of Advisory Committee for the Planning, Assessment & Performance Funding Committee

Gen. Olsen requested that Dr. Ulmer-Sottong brief the Commission on this item. Dr. Ulmer-Sottong stated that a new advisory committee has been formed for the Planning and Assessment Committee to advise on performance funding and assessment issues. Its first meeting will be June 14 at 10:30 a.m. at CHE. The Committee will be called CAPA. The presidents have appointed members to serve on the Committee.

IV. Other Business

Dr. Barton gave a brief summary of CHE responsibilities noted in the Lottery Bill. (Attachment 4)

Mr. Floyd introduced Ms. Inez Tenebaum, South Carolina's 15th State Superintendent of Education. He noted that she has been an energetic and a determined advocate for children throughout her career. As a former school teacher and an attorney, she is committed to raising the quality of education in South Carolina through comprehensive and sustained reform.

Ms. Tenebaum gave a presentation on the State Department of Education's accomplishments and how she envisions the Commission and the State Department working together in the next few years.

There being no further business, the meeting was adjourned.

Respectfully submitted,

Janet K. Stewart
Recorder